# All Together Now: ‘Shukran, Qatar’ (Again)

The Amir of Qatar HH Sheikh Tamim bin Hamad al Thani was in Lebanon only for a few hours over the weekend, but the impact of his visit will last far longer— and help improve the lives of all Lebanese in the process.

The mere fact of Sheikh Tamim’s presence spoke of a vision of partnership that sets Qatar apart from a great many countries on the world stage these days, and this on multiple levels, because the circumstances of his visit make the substance even weightier.

For observers of Arab politics unaccustomed to such phenomena, this is what genuine principle looks like. The Amir’s visit was not only a powerful gesture of support for the right of each and every Arab League member state to have a voice of its own, it also was a firm rejection of the dangerous and increasingly common notion that alliances are purely transactional relationships bereft of loyalty, shared interests, or any other marker of genuine friendship. In addition, the Qatari leader also concretised his country's support to a fellow Arab state by agreeing to have it purchase some $ 500 million worth of Lebanese government bonds.

That Qatar can afford to do this is in itself an indicator of strong governance, because it comes despite the billions of dollars it has had to spend propping up its own national economy since June 2017, when several of its Arab brethren imposed an unlawful blockade. Now that it has reoriented its trade to more reliable partners and revamped its agrofood sector to increase self-sufficiency, the economy is once again growing strongly and sustainably, and public finances are as robust as ever. The purchase comes at a crucial juncture. Lebanon's economy faces major challenges, including sluggish growth, a massive public debt, tight credit markets for the private sector, and weak confidence among both consumers and investors, be they foreign or domestic. In addition, the political arena is so sharply divided that more than eight months after the May 2018 parliamentary elections, a government is yet to be formed, further hamstringing efforts to institute reforms that would unlock billions in soft loans from friendly governments.

The resulting logjam even led to downward pressure on the Lebanese Pound (LBP), causing the Banque du Libnan (BDL) to take a variety of supportive measures, and sparking rumours that Beirut might not be able to make payments on sovereign debt maturing later this year. (In fact, just a day after the summit ended, Moody's Investors Service downgraded Lebanon's creditworthiness, although it also improved the outlook from "negative" to "stable".

This decision would have been taken before the Qatari cash infusion, but it nonetheless gives a very good idea of how analysts view Lebanon’s predicament.) Enter Qatar and its bond deal, which confers multiple benefits. First, the cash signals to any currency speculators that a bet against the Lebanese Pound is also one against the financial muscle of the world’s richest country per capita-wise. Second, it substantially reduces the likelihood of debt rescheduling, which should calm nervous investors. Third, it significantly cuts the risks of holding LBP, which benefits each and every Lebanese – regardless of address, income, and/or sectarian/political affiliation – but especially the poor because they would be the most vulnerable to the consequences of currency depreciation, including higher inflation and even, potentially, the gutting of whatever savings they have been able to accumulate. Perhaps most importantly, both the actual and perceived impacts of Qatar’s largesse will be magnified because it is being channelled through the BDL, probably Lebanon’s most universally respected public institution. Under the leadership of Riad Salamé, the BDL has earned the respect of local and outside experts alike, as well as that of the US Federal Reserve and other leading central banks around the world, so observers can be confident that the funds provided by the Qataris will be put to their intended use. Finally, it more than bears mentioning that this is hardly the first time Qatar has been there for Lebanon, and for all Lebanese. During the bloody war waged by Israel against Lebanon in 2006, Sheikh Tamim’s father, the then Emir HH Sheikh Hamad bin Khalifa al Thani, made a similar demonstration of authentic friendship. Unlike most countries, Qatar threw open its land, air, and sea borders to any and all Lebanese, suspending visa requirements and even covering the cost of food, shelter, and utilities to those who could not afford it. Once the war was over, Qatar also forked over the equivalent of more than USD 1 billion for Lebanon, helping to rebuild homes, churches, and mosques, and to revive the Lebanese National Library in Beirut.

In 2008, when street clashes appeared to push Lebanon down the road to another civil war, it was Qatar that stepped in to mediate a reconciliation that restored some degree of functionality to the presidency and other key institutions. Since then, Qatar has repeatedly gone out of its way to assist the government and people of Lebanon, including last year, when it once again lifted visa restrictions on Lebanese travellers, the only Gulf Arab state to do so. In 2006, Qatar earned the gratitude of all Lebanese, not just because (unlike many others) it made good on its pledges, but also because its assistance was distributed without regard to the recipients' religious or political persuasions. In fact, most of its generosity was disbursed in areas whose populations are heavily Shiite. To Sheikh Hamad, whose country's citizenry is overwhelming Sunni, these details were irrelevant to the task of restoring hope, dignity, and the basics of modern life – not to Muslims, Christians, Sunnis, or Shia, but to human beings. Thanks to this brave humanitarian approach, the phrase 'Shukran, Qatar' made itself heard wherever there were Lebanese: at cafés and restaurants, at home and abroad, in print and over the radio, through satellite television and myriad emails and text messages. Now that Sheikh Tamim has so emphatically replicated his father's courage, fairness, and wisdom, the time has come to say it again: Shukran, Qatar!

Roudi Baroudi is CEO of Energy and Environment Holding, an independent consultancy based in Doha. He is also a proud and grateful Lebanese.

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# Even more LNG set for Europe?

# Gas market is already under pressure

Bloomberg/London

Europe’s natural gas market is tanking and it’s hard to see why prices should stop falling now.
Storage levels are above average for the time of year because of the mild winter – curbing demand at a time sales should delight the region’s utilities. And with liquefied natural gas cargoes arriving at Europe’s ports in record numbers, the market looks saturated, according to Julius Baer Group Ltd.
The mild winter in the Northern Hemisphere has not only hit Europe’s energy markets. Asian LNG prices have slumped for eight straight weeks as buyers haven’t felt much of a need to top up buying done ahead of the winter. That has reduced incentives for exporters from Russia to the US to send tankers to Asia, instead leaving northwest Europe as their preferred destination.
“Europe has become the dumping ground for LNG,” said Norbert Ruecker, head of macro and commodity research at Julius Baer, who expects prices could fall another 20%, without giving a

time frame.
Northwest Europe imported a record 32.5 cargoes in December, according to data compiled by Bloomberg. And purchases are strong this month too.
To some extent, LNG has for now supplanted the need for huge storage sites.
“Storage has just been building and building,” Ruecker said. “Given that this trend could continue, it will put pressure on European gas prices.”
Another bearish factor is that demand this month may be much lower than traders earlier expected. Temperatures are now forecast near normal by the end of the month, versus forecasts last week for temperatures about 6 degrees Celsius below the usual level.
“The market balance is the key fundamental prices follow and somehow it does not seem to be really mirrored in the price,” Ruecker said.
Dutch front-month gas is trading at about €22 a megawatt hour on the ICE Endex exchange. The option to sell with the most open interest below that level is at a strike price of €18, according to data from the bourse. Last year, prices dropped as low as €16.78, while in 2017 the low was €14.43.

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# News Oil Majors Chevron, Total, and Reliance Join Blockchain Venture

Oil majors Chevron Corp, Total SA and Reliance Industries Ltd are investing in blockchain- backed digital trading platform Vakt Holdings Ltd, signaling more industry buy-in for the technology. The addition of the US, French and Indian oil companies means that Vakt has won investments and participation from half of the world’s 10 biggest oil and gas firms by market capitalisation, the London-based technology startup said in a statement. Widespread adoption of a uniform system will be key to the success of any digital trading platform using blockchain — a digital ledger process that has the potential to reduce trading costs by cutting down on paper work, and increasing the security of transactions. “Total has been supporting industry initiatives to digitize cargo post-trade processes for some time,” said Thomas Waymel, president of trading and shipping at Total’s trading arm Totsa SA. “We view them as a major step forward towards safer, faster and cheaper logistical operations,” he said. The oil trading units of BP Plc, Equinor ASA, Royal Dutch Shell Plc, as well as trading houses Gun- vor Group Ltd and Mercuria Energy Group Ltd were among the first investors in Vakt. The platform went live in November, trading crude cargoes underpinning North Sea Brent, one of the world’s most important crude oil benchmarks. In addition to oil majors and trading houses, Vakt’s other investors include trade finance banks ABN Amro Group, ING Groep NV and Societe Generale SA. The three largest independent trading houses Vitol Group, Glencore Plc and Trafigura Group haven’t joined Vakt nor a similar blockchaindriven digital trade finance platform based in Geneva called Komgo SA, that has many of the same backers as Vakt.

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# Halliburton posts flat revenues at $5.94bn as N America lags January 22 2019 11:00 PM


Shares of oilfield firm Halliburton Co fell sharply yesterday after the company forecast lower revenues in key business areas next quarter, overshadowing a quarterly profit beat and a pledge to reduce 2019 spending.

Clients in North America, Halliburton's biggest market by revenue, began pulling back on some drilling services last year amid transportation bottlenecks in the largest US production region and after oil prices slid sharply in the fourth quarter.

An oil glut and concerns about a global economic slowdown have pushed US crude futures down about 30% since October to around $53 a barrel.

The company anticipates mid- to high-single digit revenue declines in its Completion and Production and its Drilling and Evaluation divisions next quarter.

Halliburton said it will reduce its 2019 capital spending budget by nearly 20% to $1.6bn.

Further reductions could be made if market conditions erode, executives said on the company's fourth quarter earnings call.

Although Halliburton beat profit expectations, Wall Street analysts questioned chief executive officer Jeff Miller during the call on the lack of investor returns from the oilfield service sector, which has struggled to recover from the 2014 downturn in oil prices.

Halliburton's share price in December fell to its lowest level since 2010, trading under $25.

Houston-based Halliburton said revenue from North America fell about 2% to $3.3bn from a year earlier and dropped 11% from the third quarter.

International revenue rose to $2.6bn from $2.5bn from a year earlier.

It rose 7% from the third quarter.

"In North America, the demand for completions services decreased during the fourth quarter, leading to lower pricing for hydraulic fracturing services," Miller said in a statement.

The number of active hydraulic fracturing fleets in the Permian basin fell to 140 in January, versus 192 in June of 2018, a 27% decline, according to data from consultancy Primary Vision.

Halliburton's international business "continues to show signs of a steady recovery," Miller added.

The company saw an increase in demand for services in Argentina, which help offset some lower activity in North America.

Halliburton said net income attributable to the company was $664mn, or 76 cents per share, for the fourth quarter ended December 31, compared with a loss of $824mn or 94 cents per share, a year earlier.
Excluding one-time items, the company earned 41 cents per share, beating analysts' estimates of 37 cents per share, according to IBES data from Refinitiv.
Fourth-quarter revenue was largely flat at $5.94bn.

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# Future is for LNG as derivatives trading takes off

Bloomberg/Singapore

With natural gas demand growing faster than for any other fossil fuel, LNG futures may be finally taking off.
Derivatives represented about 2% of global LNG production at the beginning of 2017 as an array of contracts around the world struggled to gain traction. But by the end of last year,

volumes had grown to almost 23%, led by a burgeoning Intercontinental Exchange Inc contract based on S&P Global Platts' Japan-Korea Marker spot price assessments.

While volumes are a long way off established global energy benchmarks such as Brent crude – where trade dwarfs worldwide oil production many times over – the accelerating growth in LNG derivatives illustrates how the market is maturing. An explosion in supply, from the US to Australia, is bringing more market participants and a shift away from traditional pricing.

"There's more short-term physical trading indexed to JKM and new counterparties active in the market," said Tobias Davis, head of LNG–Asia at brokerage Tullett Prebon. "This creates more liquidity and in turn, builds more confidence in trading the swap and using it as a viable hedging tool."

There are now at least six derivative contracts for LNG, ranging from US Gulf Coast futures on ICE to Kuwait-India on Singapore Exchange Ltd. The most established by far is ICE's Japan-Korea Marker, launched in 2012. More than 17,000 contracts traded in December, a 10-fold increase from January 2017. The next most active is CME Group Inc's futures contract, also based on S&P Global Platts' JKM assessment. Its monthly volume peaked in November last year at 3,335 contracts.

The need for a liquid LNG benchmark has been the subject of much debate. Traditionally, when oil was used more commonly in power generation and production, it was almost exclusively valued relative to crude oil and brought and sold under long-term contracts. One advantage of that system is that oil has a liquid and established futures market that gives market participants visibility and the confidence to hedge.

But oil and gas don't move in lockstep and buyers have become increasingly reluctant to be tied to crude markets. The expansion in global supply, most notably with the development of shale reserves that transformed the US into a major natural gas exporter, has opened up other options and stimulated a shift to more spot trading.

About 27% of LNG was sold under spot-or short-term deals in 2017, up from 12% in 2003, according to the International Group of LNG Importers.

That just increased the need for a reliable price benchmark and liquid futures market for hedging. Regional gas benchmarks such as Louisiana's Henry Hub, the UK's National Balancing Point or Dutch Title Transfer Facility reflect local fundamentals and therefore may not be ideal proxies for the global LNG trade, where the vast majority of sales are in Asia. So that's where LNG futures come in.

JKM "is much more trusted, much more accurate, and the paper market is helping make it be more responsive to price movements," Gordon D Waters, the global head of LNG at ENGIE, said by phone on Friday. JKM contracts could reach the level of NBP or TTF "most likely within the next 5 years." NBP and TTF volumes both averaged about 37,000 contracts a day in 2018.

There's still a long way to go. ICE JKM is still much smaller than other global oil and gas benchmarks. Exchange open interest, or the amount of outstanding bets at the end of every day, accounted for about $2bn at the end of 2018, compared with $36bn for US natural gas and more than $100bn for Brent oil, according to Bloomberg estimates.

For a futures market to be considered truly liquid, volumes should be about 10 times the size of the actual physical trade, according to Total SA, one of the world's biggest producers and a major participant in the JKM market. With volumes multiplying by about three times a year, JKM should reach that level in about five years, Philip Olivier, Total's general manager of global LNG, said in October.

Brent and US gas traders also have much more flexibility, as they're able to buy and sell futures by the second, with prices updating to reflect the fast-moving market. Most JKM LNG trades are still brokered offline and then cleared by exchanges. Contract values are based on a monthly average of Platts assessments, so the price updates once a day when the new assessment is added.

Still, LNG has already surpassed one energy derivative. ICE’s JKM contract now has more value in open interest than the exchange’s Newcastle coal contract. The two fuels, of course, also vie in the real world for space in power plants in some regions.
“If you have a look at how the coal market developed in the mid-2000s, it took over a decade to transition to a liquid exchange order book,” said Gordon Bennett, managing director for utility markets at ICE. “It definitely feels like JKM is evolving quicker.”

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# Athens Energy Forum 2019: January 28-29, 2019


## MONDAY, JANUARY 28 | DAY 1

11.30
REGISTRATION
12.00
WELCOME REMARKS
**Achilles Tsaltas**, Vice President, International Conferences, The New York Times

12.05
OPENING ADDRESS
**George Stathakis**, Minister of Energy and Environment, Greece

12.30
IN CONVERSATION
**Geoffrey Pyatt**, U.S. Ambassador in Greece

with **Tom Ellis**, Editor in Chief, Kathimerini English Edition

12.45
PANEL DISCUSSION 1 | THE REGIONAL GEOPOLITICAL PERSPECTIVES

- Increasing the substance of trilateral cooperation between Cyprus, Israel and Egypt
- Greece as an East Med Security player
- The Greek-FYROM and Serbia-Kosovo Disputes

Chair: **Dr. Aristotle Tziampiris**, Professor of International Relations, University of Piraeus

**George Katrougkalos**, Alternate Foreign Minister for European Affairs, Greece

**Konstantinos Skrekas**, MP, Head of Energy and Environment Sector, Former Minister of Development and Competitiveness, New Democracy Party

**Victor Grigorescu**, Former Minister of Energy, Romania

Q & A

13.30
UPDATE ON THE PRIVATIZATION AGENDA
In conversation

**Aris Xenofos**, Chairman of the BoD, Hellenic Republic Asset Development Fund

with **Achilles Topas**, Journalist, SKAI TV

13.45

LIGHT LUNCH
14.45
PANEL DISCUSSION 2 | CYPRUS ENERGY OUTLOOK
Chair: **Theodore Tsakiris**, Assistant Professor, Geopolitics & Hydrocarbons, University of Nicosia, Program Adviser AEF 2019

**Dr. Andreas Poullikkas**, Chairman, Cyprus Energy Regulatory Authority

**Dr. Symeon Kassianides**, Chairman, Natural Gas Public Company

**Roudi Baroudi**, CEO, Energy & Environment Holding

Q & A

15.30
PANEL DISCUSSION 3 | UPDATE ON UPSTREAM DEVELOPMENTS

- Greek offshore exploration
- Developments in Israel and Egypt
- Developments in the Black Sea and the Adriatic

Chair: **Alexandra Sdoukou**, Energy Advisor

**Yannis Bassias**, President, Hellenic Hydrocarbons Resources Management S.A.

**Yannis Grigoriou**, CEO, Hellenic Petroleum Upstream S.A.

**Orit Ganor**, Director of Natural Gas International Trade, Ministry of Energy, Israel

Q & A

16.15
PANEL DISCUSSION 4 | UPDATE ON REGIONAL MIDSTREAM DEVELOPMENTS

- The IGB pipeline project
- The Alexandroupolis FSRU project and planned regional LNG terminals
- The feasibility of the East Med Gas Pipeline
- The TAP and Turkish Stream projects and associated

vertical corridors
- Latest developments in the National Natural Gas System
- Existing and future gas storage available in the region

Chair: **Prof. Nikolaos Farantouris**, Chair, Legal Affairs, EUROGAS, Brussels

**Konstantinos Karayannakos**, Executive Officer, ICGB

**Katerina Papalexandri**, Country Manager Greece, TAP

**Theodore Tsakiris**, Assistant Professor, Geopolitics & Hydrocarbons, University of Nicosia, Program Adviser AEF 2019
**Panayotis Kanellopoulos**, Managing Director, M&M Gas S.A.

**Nikos Katsis,** NNGS Operation Division Director, Hellenic Gas Transmission System Operator (DESFA)

**Ioannis Arapoglou**, Vice Chairman, Gastrade

**Alex Lagakos**, Founding Chairman, Greek Energy Forum

Q & A

17.30
END OF THE 1ST DAY OF THE FORUM

# TUESDAY, JANUARY 29 | DAY 2

09.00
ARRIVAL OF DELEGATES
09.30
WELCOME REMARKS
**Symeon Tsomokos**, Chairman, SGT SA

09.35
PANEL DISCUSSION 5 | THE DOMESTIC AND REGIONAL POWER & ELECTRICITY MARKET DYNAMICS

- Back-to-the-future: Lignite Power Generation in Greece
- Progress report on Island interconnectivity

- New network developments
- The evolution of wholesale and retail markets

Chair: **Harris Floudopoulos**, Journalist, Capital.gr

- **The evolution of the power generation market and the rise of the domestic competition in electricity**

**Andrea Testi**, Chairman, Elpedison

**Dimitri Tzanninis**, Deputy CEO & Member of the BoD, Public Power Corporation, Greece

**Dinos Benroubi**, General Manager Electric Power Business Unit, Protergia/MYTILINEOS

- **The target model and the new challenges**

**Manousos Manousakis**, Chairman & CEO, Independent Power Transmission Operator

**Nektaria Karakatsani**, Member of the Board, Regulatory Authority for Energy

**Constantine Couclelis**, Chairman, Hellenic Union of Industrial Consumers of Energy

Intervention: **Michael Philippou**, CEO, Hellenic Energy Exchange

Q & A

11.00
KEYNOTE ADDRESS
**Megan Richards**, Director, Energy Policy, DG Energy, European Commission

11.15
NETWORKING BREAK
11.45
PANEL DISCUSSION 6 | DIGITAL TRANSFORMATION OF ENERGY. SEIZING THE POTENTIAL OF BIG DATA
Chair: **George Passalis**, Managing Director, Accenture Applied

Intelligence

**Professor Miltiades E. Anagnostou**, School of Electrical & Computer Engineer, NTUA

**Yannis Vougiouklakis**, Member, National Committee for Energy and Climate Plan

**Tim Fairchild**, Practice Director, Global Energy Practice, SAS

Q & A

12.30
PANEL DISCUSSION 7 | RENEWABLE ENERGY SOURCES & ENERGY EFFICIENCY

- The importance of RES in the Greek 2030 energy mix
- Is the market-test process working?
- Finance: Moving beyond the FIT-Premium

Chair: **Dr. Ioannis Tsipouridis**, Renewables Consultant Engineer, Editor of e-mc2.gr

**Maria Spyraki**, Member of the European Parliament

**Professor Yannis Maniatis**, MP, Democratic Coalition, f. Minister of Environment, Energy & Climate Change

**Dr. Arthouros Zervos**, Chair, REN21

**Harry Boyd-Carpenter**, Director, Head of Power and Energy Utilities, EBRD

**Marios Zangas**, Head, Greece & Cyprus, Vestas Hellas

Q & A

13.30
NETWORKING BREAK
14.00
PANEL DISCUSSION 8 | ENERGY FINANCE
Chair: **Achilles Topas**, Journalist, SKAI TV

**Athanassios Savvakis**, President, Federation of Industries of Northern Greece & Hellenic Energy Exchange

**Vassilis Karamouzis**, Assist. General Manager, Corporate & Investment Banking, National Bank of Greece

Q&A

14.25
PANEL DISCUSSION 9 | CLIMATE CHANGE AND SUSTAINABLE GOALS

- Will the Paris Climate Change agreement goals be met
- What is the role of the EU
- What challenges for Greece

Chair: **Zoi Vrontisi**, Chairwoman, National Center for the Environment & Sustainable Development

Keynote Address: **Socrates Famellos**, Alternate Minister, Ministry of Environment & Energy

**Prof. Christos Zerefos**, Head, Research Center for Atmospheric Physics & Climatology, Academy of Athens

**Sabina Dziurman**, Director Greece & Cyprus, EBRD

**Demetres Karavellas**, CEO, WWF Greece

**Xavier L. Rousseau**, Head of Corporate Strategy, Snam

Q & A

15.15
END OF ATHENS ENERGY FORUM 2019

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# Palmet Enerji beats SOCAR bid to acquire EWE’s Turkey assets


Bloomberg Istanbul Turkish gas distributor Palmet Enerji AS agreed to buy all of EWE AG’s assets in the country for between €130mn ($148mn) and €150mn. Palmet beat its only competitor, State Oil Company of Azerbaijan Republic (SOCAR), to secure the assets of EWE Holding Turkey AS, Palmet chairman Doganay Samuray said in a phone interview yesterday. “We will have a stronger position in Turkey’s retail gas distribution market with this acquisition,” Samuray said. Palmet already operates gas grids in the Erzurum province in eastern Turkey, and Gebze, an industrial town to the east of Istanbul. “We held talks, and in the end decided not to buy EWE assets” in Turkey, Ibrahim Ahmadov, a spokesman for Socar in Baku, Azerbaijan, told Bloomberg. He didn’t elaborate. Palmet is in discussions with banks to finance the acquisition, which is subject to approval by Turkish energy and antitrust regulators, Samuray said. It may take “two or three months” to complete those talks. The borrowing for the acquisition will be in Turkish lira, which is the currency of EWE’s gas grid revenues in Turkey, Palmet chief financial officer Bora Kirac said. “We are in talks with five or six local banks but we will probably borrow from two or three of them.” EWE Turkey doesn't have any outstanding debt, he said. Germany's EWE hired Barclays Plc to manage the sale process, people with knowledge of the matter said in March. The agreed price is less than half the amount people familiar with the process had estimated the assets were worth in October. EWE's Turkey unit owns 80% stakes in two gas grids in the provinces of Bursa and Kayseri, as well as a phone company, Millenicom. Its other assets include electricity trader EWE Enerji and Enervis, a technology service provider for the energy industry

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# OPEC+ Plans Review in Baku in March, Ministers' Meeting in April

OPEC and its allies plan to hold a meeting in March to assess their oil-production accord in Azerbaijan, and then ministers will gather to set policy in April, according to the organization’s top official.

The body that reviews the implementation of OPEC’s supply cuts, the Joint Ministerial Monitoring Committee, will convene in the Azeri capital of Baku on March 17 to 18, Secretary-General Mohammad Barkindo said in a statement. Ministers will then meet in Vienna on April 17 to 18 to decide whether the cutbacks should be extended beyond their scheduled expiry in the summer.

Barkindo recently met with Venezuelan Oil Minister Manuel Quevedo, who this year holds OPEC’s rotating presidency, and arranged the dates in consultation with him and the ministers of Saudi Arabia and Russia, who co-chair the JMMC.
The 24-nation coalition of oil producers known as OPEC+, which includes OPEC nations as well as non-members, is cutting output to stabilize global markets. They have agreed to collectively reduce supplies by 1.2 million barrels a day for the first half of this year.

By restraining supply in 2017 and early last year, the alliance engineered a recovery in prices that ended the oil industry’s worst slump in a generation, but the market has started to weaken again. At about $60 a barrel in London, prices remain about 30 percent down from a four-year high reached in October.

It took more than a month for the Organization of Petroleum Exporting Countries to settle on the dates, an unusually long time for the group, which typically concludes each conference with a prompt resolution on when to meet again.

The delay may reflect the more complicated logistics that come with expanding into a broader coalition with more countries. Whereas in the past decisions were confined to the dozen-or-so members of OPEC, these days its consultations can involve all 24 nations in the broader network, with Russia having particular influence.

Pronounced volatility in oil prices in the month since OPEC+ announced its supply curbs suggests market participants have been looking for additional clarity on the organization’s plans.

Besides the two meetings for ministers, delegates will also convene in coming weeks to work on a framework that will cement co-operation between OPEC and non-OPEC over the long-term.

OPEC officials will meet to discuss the framework on Feb. 7 to 8, and representatives from their non-OPEC partners will follow-up the consultations on Feb. 18 to 19. The charter will be finalized in order to be considered by ministers at their meeting in April, Barkindo said.

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# China said to eye near four-fold LNG import capacity jump by 2035


Bloomberg/Hong Kong/Singapore

China may boost its liquefied natural gas import capacity by nearly four-fold within two decades as it pushes toward using more of the fuel.

The Ministry of Transport has proposed the nation operate 34 coastal terminals with total annual import capacity of 247mn tonnes by 2035, according to people with knowledge of the draft plan. That compares with the nation's total nameplate capacity of 67.5mn tonnes at the end of last year, according to BloombergNEF. The plan is preliminary and could change, said the people, who asked not to be identified as the information isn't public.

The transport ministry didn't respond to a faxed request for comment. The Shanghai Petroleum & Gas Exchange posted information about the plan on its website on Monday, citing a report by Southern Energy Observer.

President Xi Jinping's government has prioritised using more natural gas in place of coal for residential and industrial use, sparking a race to increase supply and expand infrastructure such as pipelines, storage tanks and import terminals. Total gas imports surged 32% last year as the nation overtook Japan to become the world's biggest buyer,

both by seaborne LNG and pipeline. The boom was so big that China accounted for 65% of global LNG demand growth last year, according to Sanford C Bernstein & Co.
The draft plan consists of two types of terminals, said the people. The first is 13 facilities referred to as “key” or “important,” and will have a combined capacity of 165mn tonnes in 2035. A second category, known as “general” or “ordinary,” will total 82mn tonnes over 21 terminals. Additionally, there are six terminals planned inland along the Yangtze River that aren’t accounted for in the total capacity figure, they said.
— With assistance from Dan Murtaugh.

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# US pressures Germany over Russian gas pipeline

[FRANKFURT AM MAIN] A transatlantic tiff over Europe’s natural gas supply came to the boil Sunday, as Donald Trump’s ambassador to Germany threatened firms involved in a pipeline from Russia with sanctions.

At stake is a mixture of economic and security interests for Moscow, Washington, Berlin and Paris — with equally direct consequences for Ukraine and other eastern European nations.

A letter envoy Richard Grenell sent to several businesses "reminds that any company operating in the Russian energy export pipeline sector is in danger… of US sanctions," an embassy spokesman told AFP.

The letter by Grenell, a close ally of President Donald Trump, "is not meant to be a threat, but a clear message of US policy," the spokesman said.

Pressure has been mounting on Berlin for months to turn away from the under-construction pipeline, which is set to double the capacity of an existing connection beneath the Baltic Sea.

Trump accused Germany last year of being "totally dependent" on and a "captive" of Moscow because of the natural gas supply.

But the louder the volume of complaints from Washington, the more Berlin has dug in its heels.

Chancellor Angela Merkel, backed by France and Austria, has in the past insisted the pipeline is a "purely economic project" that will ensure cheaper, more reliable gas supplies.

German Foreign Minister Heiko Maas also weighed in on the transatlantic row last week, saying "European energy policy should be decided in Europe, not in the United States."

The confrontation echoes European leaders' sticking to a 2015 deal with Iran to limit that country's nuclear programme.

Trump has renounced the pact and threatened sanctions against EU firms doing business with Tehran.

— ‘Blackmail’ —

In an angry reaction from Russia Sunday, senator Alexei Pushkov tweeted that Trump was using “direct threats” to sell “more expensive American gas to Europe.”

The US embassy spokesman said that “the only thing that could be considered blackmail in this situation would be the Kremlin having leverage over future gas supplies.”

American officials argue that routing more gas through the Baltic and the planned TurkStream pipeline under the Black Sea will deprive Ukraine of vital transit income and isolate it from its allies.

That could be bad news for Kiev, which saw the Crimean peninsula annexed by Russia in 2014 and is battling Moscow-backed separatists in a conflict that has so far claimed over 10,000 lives.

“Firms supporting the construction of the two pipelines are actively undermining the security of Ukraine and Europe,” ambassador Grenell wrote.

US objections are shared by “nearly 20 European countries” such as vital EU member Poland, as well as the European Parliament and the US House of Representatives, the embassy spokesman said.

Merkel — a key player in Moscow-Kiev peace talks — says Ukrainian interests will be protected as some Russian gas will still be transported via the country once Nord Stream 2 is online.

— Gas ahoy —

But Germany has also appeared to make concessions to Trump by looking into construction of liquid natural gas (LNG) terminals on its north coast to accept sea shipments from the US.

Berlin was “studying options” to help fund gas facilities, Merkel spokesman Steffen Seibert said in October – although he denied the government was caving to US pressure.

Beyond Ukraine, Trump has explicitly linked his complaints over Russian gas to his push to get European members of the NATO alliance to spend more on defence.

“Germany just started paying Russia, the country they want protection from, Billions of Dollars for their Energy needs coming out of a new pipeline,” he tweeted in July. “Not acceptable!”

Merkel has long since committed to reach the NATO defence spending target of 2.0 per cent of GDP – albeit by 2024.

Last year, just 1.24 per cent of Germany’s output went on its military, compared with 3.5 per cent for the US.

AFP